



BAF II Case Study No. 3
September 2021

Diep Vu Laos
Website:
www.diepvulaos.com

Sector:
Garments

BDS activity:
Yellow Belt in lean manufacturing

BDS provider:
WCO Consultants, India



Keeping it lean and mean in clothing for export

About the company

Established in 2009, Diep Vu Laos (DVL) manufactures garments for export, and currently employs over 1,000 workers. The company specializes in work wear (eg. uniforms), which are exported to a diverse range of customers across the globe. Products include: nurses uniforms, flame retardant coveralls, lab coats, military uniforms, etc. DVL’s specialization in work wear allows it to avoid many of the risks and intense competition widely associated with garment manufacture and ‘fast fashion’.

During the global pandemic, many garment manufacturers have seen a major slowdown in orders from customers, as shops have closed and consumers have bought fewer clothes. In contrast, DVL has seen orders remain strong, as the demand for work wear, such as nurses uniforms and other health-related clothing, has actually increased.

DVL is a member of Sedex (www.sedex.com), BSCI (www.amfori.org) and FloCERT (www.flocert.net).



What was the growth challenge ... ?

One of DVL’s biggest challenges is remaining price competitive in an industry known for thin profit margins, as well as the ability to fulfill large orders as speedily as possible. The average time it takes to make each garment is therefore a fundamental determinant of success. Like a lot of garment producers, DVL therefore pursues lean manufacturing as a means of maximizing efficiency.

Prior to the outbreak of COVID-19, DVL decided it needed to attain a ‘yellow belt’ in the ‘Six Sigma’ approach to lean manufacturing (iassc.org), as it was struggling to keep up with strong demand from its clients in Europe and elsewhere. As a relatively large employer, particularly of women, including some from ethnic minority communities, BAF II was keen to see if it could assist DVL in this effort.





... and did the BDS input help ?

The onset of the global pandemic had two very different impacts on the company and its pursuit of a yellow belt in lean manufacturing. First, when Laos’ borders were closed, as part of the government’s efforts to contain the spread of COVID-19, this made it impossible to proceed with the BDS activity as initially envisaged. This was because the BDS provider is based in Chennai, India. As a consequence, the BDS provider and DVL had to radically adjust the project to allow for virtual training sessions, and other creative ways of getting around the inability of consultants to travel in person.



“We started making our processes lean long before the Covid-19 outbreak, and this had made us more flexible and resilient. Even with sudden demand and supply disruptions, we were able to adapt and get through the pandemic successfully. Staff members at all levels are empowered with knowledge and capabilities to understand and execute the company’s strategy. Lean methodology helped us align all our energy, and set us on a path of continuous improvement. With BAF II’s support this project has been a great success.”

J. F. Somers, Managing Director, Diep Vu Laos.

Secondly, while most other garment producers were having to reduce or even close down their operations, as customers stopped their orders, DVL experienced a surge in demand. This was because the pandemic was driving increased spending on work wear for the health and emergency services sector. DVL’s strategic decision to focus on work wear has always allowed it to avoid the challenges that most ‘cut, make, trim’ (CMT) garment manufacturers face; but the pandemic turned that decision into an even greater strength for the business. But it also emphasized the need for DVL to become more efficient, through further advances in lean manufacturing, in order to satisfy the up-tick in customer orders.



Some useful lessons

The case of Diep Vu Laos has highlighted a number of useful lessons for BAF II. First, the need to be flexible and adjust activities – in this case, the lean manufacturing training – when unanticipated events occur, such as a pandemic. That flexibility brings resilience for a business. Secondly, DVL’s highly strategic decision to focus on a niche part of the garment industry that allows it to differentiate itself can bring major benefits. Thirdly, the virtue of always looking for ways to improve the business.

“Efficiency gains improve productivity, and can help increase the profitability of a company. BAF II was happy to support DVL in obtaining a the ‘yellow belt’ in lean manufacturing. In so doing, DVL was able to keep up with increased demand from its clients, and navigate a way through the disruption caused by the pandemic.”

Want to learn more about BAF II, and explore whether we can help your business to grow ? Go to www.baflaos.com and let’s start a conversation.

Ms Thouni, BAF II Business Advisor.

